



# ENERGY ASSURANCE DAILY

Monday, June 12, 2006

## Major Developments

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### **Tank Fire in Oklahoma Shuts 700,000 b/d Explorer Pipeline June 12**

On Monday, Explorer Pipeline Co. said it had shut its 28-inch petroleum products pipeline from Houston, Texas to Tulsa Oklahoma and its 24-inch pipeline out of Tulsa to Wood River, Illinois due to a fire at a tank farm in Glenpool, Oklahoma. The fire occurred Monday morning when lightning struck and ignited a 150,000-barrel unleaded gasoline tank. According to firefighters, there are 20 other tanks in the vicinity but the fire was contained to one tank. As of Monday morning, the tank fire had not damaged the pipeline, but Explorer will wait until the fire is put out before deciding when to reopen the pipeline. The Explorer Pipeline system, which transports refined petroleum products from the Gulf Coast to the Midwest, has a capacity of 700,000 b/d.

Reuters, 13:23 June 12, 2006

<http://www.channeloklahoma.com/news/9356385/detail.html>

<http://www.kten.com/Global/story.asp?S=5018586>

### **Hurricane Warning in Florida due to Tropical Storm Alberto**

U.S. forecasters in Florida warned that Tropical Storm Alberto has the potential to become a hurricane within the next 24 hours, indicating it could become the first hurricane of 2006. "Preparation to protect life and property should be rushed to completion," according to the forecaster. Alberto's maximum sustained winds have increased to near 70 mph – Tropical storms become hurricanes once their maximum sustained winds reach 74 mph. Alberto is predicted to make the landfall in Tampa, St. Petersburg area on Tuesday.

Reuters, 13:51 June 12, 2006

## Electricity

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### **Florida Utilities Prepare As Tropical Storm Alberto Approaches**

Florida Power & Light Company has activated its emergency operations center and is deploying and pre-staging its workforce to be in the best position to restore service following Alberto's path through north and central Florida. Progress Energy Florida has activated its storm-response plan in preparation for possible landfall its service area. Tampa Electric says that it is readying its comprehensive response plan to restore service as quickly as possible should Alberto knock out power in its territory.

<http://www.fpl.com/news/2006/contents/06039.shtml>

<http://www.progress-energy.com/aboutenergy/stormcentral/index.asp?areaid=25>

<http://www.tampaelectric.com/TENWNewsRelease.cfm?article=376>

### **Florida PSC Approves Two New FP&L Gas-fired Power Plants**

The Florida Public Service Commission has granted Florida Power & Light Co.'s request to build two natural gas-fired generating units in West Palm Beach. The plants could begin operating in 2009 and 2010.

<http://biz.yahoo.com/bizj/060609/1300736.html?v=1>

### **Utilities Propose 3 Transmission Lines for North Dakota, Minnesota and Wisconsin**

A group of regional utilities has launched an effort to build three new 345-kV transmission lines in North Dakota, Minnesota and Wisconsin. The campaign for new transmission projects is being called "CapX 2020" for Capacity Expansion needed by 2020. Construction on the lines – portions of which will require federal and state approval – is expected to begin in 2010 and the lines are expected to be completed three to four years later.

<http://biz.yahoo.com/bizj/060609/1300643.html?v=1>

### **Update: Planned Shutdown of Ontario Coal-fired Units Delayed Due to Potential Shortages**

According to Ontario's energy minister, the 2,000 MW Lambton power station near Sarina will have to stay open past its scheduled shutdown date in 2007 and the 4,000 MW Nanticoke power station in southwestern Ontario will have to stay open past its scheduled shutdown date in 2009. The two power plants are being shutdown over pollution concerns. This is the second time that the plants' shutdowns have been delayed due to potential electricity shortages.

<http://www.canada.com/topics/news/national/story.html?id=72b8d30b-ab2e-4503-b593-3c7adf96c8ce&k=66818>

### **Duke's 1,129 MW Catawba Nuke Unit 1 Ramps up to Full Power June 12**

Catawba nuclear power plant in South Carolina, which shut on May 20 due to a loss of offsite power, exited an outage and ramped up to full power early Monday.

Reuters, 07:23 June 12, 2006

### **Constellation's 620 MW Nine Mile Nuke Unit 1 in New York Shut June 12**

The unit, which was operating at full capacity on Friday, shut over the weekend to fix a leak in the reactor coolant system.

Reuters, 11:21 June 12, 2006

### **TransAlta's Centralia Unit 2 Outage Extended to Fifty-Seven Days**

TransAlta Corp.'s Centralia Power Station in Texas will extend its outage for two additional weeks to conduct minor repairs.

Reuters, 08:01 June 12, 2006

## ***Petroleum***

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### **Devon Evacuates Platform Workers in U.S. Gulf as Tropical Storm Alberto Approaches**

The workers were evacuated from a platform in the Main Pass of the Gulf to reduce the number of workers who might have to be evacuated should harsher weather develop. Devon reports that the evacuations will have no impact on operations. Other U.S. oil and gas producers have not taken any actions to evacuate workers.

[http://biz.yahoo.com/rb/060611/energy\\_devon\\_storm.html?.v=2](http://biz.yahoo.com/rb/060611/energy_devon_storm.html?.v=2)

### **Baku-Tbilisi-Ceyhan Pipeline Delivers First Azerbaijani Crude to World Markets**

The inaugural shipment of about 600,000 barrels of crude oil was delivered by tanker to Italy, signifying the start of export of Azerbaijani crude oil via the BTC pipeline. The crude oil is initially being supplied to the pipeline from the Azeri-Chirag-Gunashli (ACG) field in the Azerbaijani sector of the Caspian Sea but is expected to be joined by production from other Caspian-area fields. The BTC pipeline is a new 1,094-mile, 1 million b/d pipeline that runs across Azerbaijan, Georgia and Turkey.

<http://biz.yahoo.com/prnews/060609/sff004.html?.v=52>

### **Schedule for Planned Maintenance Delayed at Athabasca Oil Sands in Vancouver**

The planned maintenance, which was scheduled to last eight weeks, is taking longer than expected at Shell Canada's Athabasca Oil Sands operations. The company now expects it will return to full production level by mid July. Due to the delay, the production guidance for 2006 has been reduced to between 26,000 to 27,000 b/d from 29,000 to 30,000 b/d.

Reuters, 13:38 June 12, 2006

### **Exxon's Hydrocracker at 349,000 b/d Refinery in Beaumont, Texas Shut June 9**

Exxon Mobil shut the hydrocracker at its refinery in Beaumont, Texas when two hydrogen compressors tripped at the same time, sending hydrocarbon into the DEA system. The unit is expected to be out for 48 to 72 hours.

Reuters, 10:06 June 12, 2006.

### **U.S. Court Rejects Objections to Shell's Gulf Landing LNG Terminal Off Louisiana**

The U.S. 5<sup>th</sup> Circuit Court of Appeals has rejected a lawsuit filed by several environmental groups arguing that the U.S. transportation secretary had violated the National Environmental Policy Act by failing to consider the cumulative effects of five other applications for deepwater LNG import terminals in the Gulf when it approved a license for Shell's 1 Bcf/d Gulf Landing LNG terminal in the Gulf of Mexico in early 2005. Shell is proposing to build the terminal 38 miles south of Cameron, Louisiana.

<http://www.platts.com/Natural%20Gas/News/7517711.xml?p=Natural%20Gas/News&sub=Natural%20Gas>

### **Update: ConocoPhillips May Study Using 'Closed-Loop' Process at Proposed Compass Port LNG Terminal Off Alabama**

ConocoPhillips withdrew its application to build the Compass Port LNG terminal due to environmental concerns raised by Alabama Gov. Bob Riley. The company originally proposed using an "open-loop" regasification technology that could be damaging to marine life but said Friday that it would, at the governor's request, study the possibility of using "closed-loop" technology that would not pose a threat.

<http://www.al.com/opinion/mobile/register/index.ssf?/base/opinion/115001740025980.xml&coll=3>

### **Update: FERC Approves Reducing Size of Millennium Pipeline to 30 Inches**

FERC has approved reducing the size of natural gas pipeline named Millennium Pipeline from 36 inches to 30 inches. It will reduce the delivery capacity from 714 Mmc/d to 525 Mmc/d. The pipeline will run through New Jersey, New York, and Connecticut, and is targeted to start operation in November 2007. Reuters, 16:54 June 12, 2006.

## Other News

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### **U.S. Government Releases Map of Potential Energy Corridors on Federal Lands**

The U.S. Department of Energy, the U.S. Bureau of Land Management, the U.S. Forest Service and the U.S. Department of Defense have released a draft map of potential energy corridors in several western states for electric transmission and oil, natural gas and hydrogen pipelines. These agencies are acting in accordance with the 2005 Energy Policy Act, which requires them to designate specific energy corridors for future development in order to help minimize the time it takes to site and approve projects, as well as reduce the environmental impact and conflicts with other uses of federal lands.

Map: <http://corridoreis.anl.gov/eis/pdmap/index.cfm>

<http://www.platts.com/Oil/News/7517845.xml?p=Oil/News&sub=Oil>

### **Capacity Increases at Aging Nuclear Plants Raise Safety Concerns**

A drive to uprate capacity at existing nuclear power stations has been leading to unexpected side effects at many plants, raising safety concerns.

<http://www.chicagotribune.com/news/nationworld/chi-0606110294jun11,1,1130165.story?coll=chi-newsnationworld-hed>

### **Army Corps of Engineers to Suspend Mountaintop Removal Coal Mining Permits**

The U.S. Army Corps of Engineers will suspend four valley fill permits at mountaintop removal mines operated by Massey Energy in West Virginia that are being challenged by environmental groups. Mountaintop removal mining involves blasting the mountaintop to uncover coal seams and depositing leftover rock and in nearby valleys, which often buries streams.

<http://www.dailypress.com/news/local/virginia/dp-wv--mountaintopremova0609jun09,0.6352770.story?coll=dp-headlines-virginia>

## Energy Prices

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U.S. Oil and Gas Prices			
June 12, 2006			
	Today	Week Ago	Year Ago
<b>CRUDE OIL</b> <b>West Texas Intermediate U.S.</b> \$/Barrel	70.40	72.75	54.25
<b>NATURAL GAS</b> <b>Henry Hub</b> \$/Million Btu	6.02	6.46	7.06

Source: Reuters

## Energy Notes

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### **Twin Groves Wind Farm in Illinois on Hold for Wetland Conservation**

<http://www.pantagraph.com/articles/2006/06/09/business/doc4488c7badbe91393124367.txt>

### **Fire Breaks Out at Port Fortin LNG Export Terminal in Trinidad and Tobago**

[http://www.trinidadexpress.com/index.pl/article\\_news?id=160962992](http://www.trinidadexpress.com/index.pl/article_news?id=160962992)

### **Crude Production Drops from Oxy-Fields Seized by Ecuadorian Government; Petroecuador Blames Loss on Well Maintenance**

<http://www.platts.com/Oil/News/7517839.xml?p=Oil/News&sub=Oil>

### **Update: Total Plans to Link Kashagan Oil Field in Kazakhstan to BTC Pipeline**

[http://www.energyintel.com/PublicationHomePage.asp?publication\\_id=31](http://www.energyintel.com/PublicationHomePage.asp?publication_id=31)

### **Chevron Says 2-5 Pipelines Need to Bypass Black Sea's Straits Bottleneck**

<http://www.upi.com/Energy/view.php?StoryID=20060608-023155-2995r>

### **Saudi Arabia Can Add 200 Billion Barrels to Oil Reserves – Aramco CEO**

<http://www.platts.com/Oil/News/8482402.xml?p=Oil/News&sub=Oil>

### **Nigerian Oil Minister Daukoru Claims 2006 Oil Production Will Be 3 Million By Year End**

Reuters, 08:03 June 11, 2006

### **LNG Supply to Grow to a \$65 Billion Market by 2012, Says Cambridge Energy Assoc.**

Reuters, 14:15 June 12, 2006

## Links

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### ***This Week in Petroleum*** from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

### ***Weekly Petroleum Status Report*** from EIA

[http://www.eia.doe.gov/oil\\_gas/petroleum/data\\_publications/weekly\\_petroleum\\_status\\_report/wpsr.html](http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html)

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

## **ENERGY ASSURANCE DAILY**

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<http://www.oe.netl.doe.gov/index.aspx>.

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